

## 2005 Fiscal Year Review

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*All of the SBA's programs and services are provided to the public on a non-discriminatory basis.*

## 2005: A YEAR OF GROWTH

### *From the Desk of Elliott O. Cooper, District Director*

If there were a theme for the 2005 fiscal year, it would be growth.

Small businesses nationwide received nearly 100,000 SBA-backed loans in the 2005 fiscal year, setting a *fifth* consecutive record.

Our state has been no exception. In fact, South Carolina has been a leader in small business growth.

The state of South Carolina witnessed a **30 percent** increase in the number of loans made in 2005 (compared to FY 2004) due to the introduction of the Community Express loan program and to the addition of 22 new lenders.

SBA-backed loans to minority small business owners have increased **49 percent** overall, including:

- **82 percent** increase to African American small business owners
- **61 percent** increase to Hispanic small business owners
- **42 percent** increase to Native American small business owners
- **26 percent** increase to Asian American small business owners

Additionally, SBA has seen an increase in its loan guaranty programs to its outreach groups, including:

- **89 percent** increase to rural businesses
- **62 percent** increase to women-owned businesses
- **25 percent** increase to veteran-owned businesses
- **20 percent** increase to businesses in international trade.

And our state's success in 2005 extends beyond our loan programs!

In the SC SBA 8(a) government contracting program, 15 new firms have been added, an increase of **29 percent** since last year. Clarissa Peak, SBA Program Support Assistant with the South Carolina 8(a) program, attributes the rise to the introduction of the electronic application, which expedites the 8(a) approval process.

And last, but certainly not least, the SBA SC District Office and its resource partners SCORE (Service Corps of Retired Executives), SBDC (Small Business Development Center), and SCWBC (South Carolina Women's Business Center) together counseled **20,400** prospective and existing business owners.

# 2005 LENDER PRODUCTION YEAR-END TOTALS

We're Counting Small Business by the Numbers and the Numbers Are Rising.

## LENDER PRODUCTION

### FY 2005 YEAR END TOTALS – 7(a) Loans

LENDERS	# OF LOANS	\$ AMOUNT
Bank of America	223	6,379,400
Capital One, Federal Savings Bank	84	3,575,000
Business Development Corporation of SC	66	15,902,500
Innovative Bank	53	378,000
Branch Banking and Trust Company	40	8,665,200
Business Carolina, Inc.	25	14,584,000
First Federal Savings & Loan Assoc. of Charleston	23	2,363,000
CIT Small Business Lending Corp	17	9,354,400
Wachovia	16	4,873,500
First National Bank of the South	11	7,910,000
Community South Bank	10	7,899,200
Islands Community Bank, NA	9	1,582,100
Comerica Bank	8	3,509,200
Community West Bank, NA	8	2,943,300
Bank of Travelers Rest	6	1,905,609
Beach First National Bank	5	4,072,504
Regions Bank	5	1,263,300
Suntrust Bank	5	520,600
Temecula Valley Bank, NA	5	3,940,200
American Express Centurion Bank	3	50,000
Business Loan Center, LLC	3	3,110,000
First National Bank of the Carolinas	3	858,731
Greer State Bank	3	903,160
Provident Community Bank, NA	3	721,730
South Carolina Bank and Trust, NA	3	416,000
Borrego Springs Bank, N.A.	2	991,000
Carolina First Bank	2	297,500
First Citizens Bank & Trust Company, Inc.	2	94,700
First National Bank of Nassau County, The	2	791,300
Newtek Small Business Finance, Inc.	2	641,000
SouthCoast Community Bank	2	455,000
Stearns Bank, NA	2	410,200
Unity Bank	2	372,000
Business Lenders, LLC	1	1,400,000
Coastal Federal Bank	1	90,000
Community Bank & Trust	1	627,500
Crescent Bank	1	310,000
First National Bank of South Carolina	1	100,000
Florence National Bank	1	1,200,000
GE Capital Small Business Finance Corporation	1	186,000
Great Western Bank	1	75,000
Guardian Bank	1	306,000
Horizon Bank	1	800,000
Independence Bank	1	220,000
Lowcountry National Bank	1	85,000
Orangeburg National Bank	1	100,000
Small Business Loan Source, LLC	1	1,169,000
UPS Capital Business Credit	1	276,000
<b>Total</b>	<b>668</b>	<b>\$118,677,834</b>

## Top 7(a) Lenders

The number of 7(a) loans has increased over **30 percent** since the end of the 2004 fiscal year!

Congratulations to our top lenders this year who helped to make this possible:

### Greatest Number of Loans Approved

1. Bank of America, N.A.
2. Capital One, FSB
3. Business Development Corporation

### Greatest Dollar Volume in Loans Approved

1. Business Development Corporation
2. Business Carolina, Inc.
3. CIT Small Business Lending Corp.



## Top 504 Lenders

The dollar amount of 504 loans increased **9 percent** since the end of the 2004 fiscal year.

### Greatest Number of Loans Approved

1. Certified Development Corp. – 51
2. Appalachian Development Corp. – 11
3. Small Business Assistance Corp. – 7

### Greatest Dollar Volume in Loans Approved

1. Certified Development Corp.  
\$20,718,000
2. Appalachian Development Corp.  
\$5,136,000
3. Catawba Regional Development Corp.  
\$3,831,000

### Top 504 Third Party Lenders

1. The South Financial Group – 13  
\$4,857,183
2. First Citizens Bancorporation – 9  
\$3,871,500
3. SCBT Financial Corporation – 7  
\$3,304,870

## **Make New Friends *and* Keep the Old: A Look at Two of Our Lending Partners**

### **Business Development Corporation, a Loyal Longtime Partner of SBA**

Business Development Corporation (BDC), a non-bank commercial lending company that specializes in SBA loan guaranty programs, is consistently one of the top three lenders in both the number and dollar volume of SBA-guaranteed loans. And with good reason: BDC has worked with South Carolina businesses for more than 45 years.

BDC works alongside banks throughout South Carolina, encouraging them to refer loans to them which have merit but cannot be made by the banks under their current lending policies, perhaps because of unusual risks associated with start-up or expansion. Banks typically refer loans to the BDC to meet the lending needs of the customer while continuing to maintain or forge a business relationship with that customer. In this way, BDC helps to ensure that lending opportunities for qualified small businesses continue to exist.

Most recently, BDC has established its loan referral incentive program. Designed with banks in mind, the program helps to spread availability of its lending resources to as many businesses as possible throughout the state of South Carolina. Participating banks have the opportunity to either receive a loan referral fee on SBA-guaranteed loans processed by BDC or to buy a participation in the guaranteed portion of the loan.

### **Innovative Bank, a New Partner with Big Ideas**

Innovative Bank has created its Small Office and Home Office (SOHO) loan to promote the SBA Community Express loan program, which focuses on serving minorities, women and veterans. The SOHO loan provides financial assistance, capital access, and technical and management assistance to this segment of the small business community. The SOHO loan offers the qualified small business owner rapid approvals on a \$5,000 - \$25,000 loan that features a seven year repayment period, no pre-payment penalty and minimal paperwork.

The SOHO loan program ensures that borrowers receive appropriate pre- and post-loan closing management and technical assistance, which is arranged for and paid by Innovative Bank.

The Bank has established close relationships with various organizations like the National Black Chamber of Commerce, various Small Business Development Centers (SBDC) and non-profit organizations for assistance with its SOHO loan program.

## **Celebrating small business success: New businesses make their presence known**

### **Me Too, Mommy! ®**

Lynne Becker of Charleston first visited the South Carolina Women's Business Center (SCWBC) two months after the publication of her book *Me Too, Mommy!* Lynne knew she had a great idea with her concept of a baby book designed for non-firstborn children – the Me Too Kids <sup>TM</sup> – and their busy moms, but she didn't know how to turn that idea into a business. That's where the SCWBC stepped in.

Lynne began working with SCWBC counselor Eva Boning, who helped her to create a business plan tailored to the new market niche she was creating in the baby product industry. Through the SCWBC, Lynne was introduced to the marketing and graphic design firm Semaphore, based in Columbia. Semaphore helped her to redesign the Me Too Mommy! brochure and assisted her in fine-tuning the marketing message for her book: Simple, easy & fun! Me Too Mommy! began rapidly gaining big-name buyers like Amazon.com, in addition to baby product online retailers like babyshopmagazine.com.

The SCWBC also hosted a workshop on exporting, where Lynne met Ann Watts, director of the SC Department of Commerce. Through the Department of Commerce, Lynne has been able to expand her sales outside of the United States. She will attend her first show in Australia in February 2006 to promote Me Too, Mommy!®.

From being a single mom with a great idea to a business owner with international sales, Lynne says she's ready to "make a splash."

You've come a long way, baby!

### **International Public Works, LLC**

In July 2002, a business venture grew from the friendship between former roommates Cyrus Sinor and L. Kai Yeh, both professional engineers. The resulting company is International Public Works, a Mount Pleasant firm that specializes in engineering, construction and operations and maintenance.

Realizing that there were opportunities for minorities in small business, Kai and Cyrus applied for the 8(a) government contracting program. Their company was accepted in 2003. Additionally, as former military officers, they have the unique distinction of being a veteran-owned business too.

But the 8(a) program is by no means a crutch. International Public Works received its first and as of yet only 8(a) contract at the end of the 2005 fiscal year.

"8(a) complements our business," Kai says. "We don't rely on it."

The real reason behind the success of International Public Works lies in the knowledge and dedication of Cyrus and Kai in the highly competitive field of engineering and construction. In fact, Cyrus and Kai had already developed an impressive resume for their company, including well over \$8 million in contracts since 2003 with institutions like the U.S. Army Corps of Engineers and the U.S. Department of Agriculture and cities such as Columbia and Charleston.

"The fact that we're engineers in a construction marketplace helps our clients meet their needs in the most efficient way. We are so excited about our future."

**U.S. Small Business Administration**



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